

**MINUTES OF THE
QUASI-GOVERNMENTAL ENTITIES COMMITTEE**
Tuesday, May 14, 2002 – 1:00 p.m. – Room 129 State Capitol

Members Present:

Sen. Beverly Evans, Senate Chair
Rep. Ron Bigelow, House Chair
Sen. Ron Allen
Sen. Paula F. Julander
Rep. Eli H. Anderson
Rep. Trisha Beck
Rep. Don E. Bush
Rep. A. Lamont Tyler
Rep. Glenn L. Way

Members Absent:

President Al Mansell
Sen. John L. Valentine
Rep. Judy Ann Buffmire
Rep. Kevin S. Garn
Rep. David Ure

Staff Present:

Mr. Benjamin N. Christensen, Research Analyst
Mr. Dee S Larsen, Associate General Counsel
Ms. Junie G. Anderson, Legislative Secretary

Note: A list of others present and a copy of materials can be found at <http://www.image.le.state.ut.us/imaging/history.asp> or by contacting the *Committee secretary, Junie Anderson, at 538-1032.*

1. Call to Order

Chair Evans called the meeting to order at 3:06 p.m. She excused Rep. Buffmire and Rep. Ure from the meeting.

MOTION: Sen. Julander moved to approve the minutes of the January 16, 2002 meeting. The motion passed unanimously, with Rep. Way absent for the vote.

2. Utah State Retirement Systems - Overview and Defined Benefit Comparison

Mr. Christensen gave an electronic presentation "Utah State Retirement Systems Differences Overview" and distributed copies. He explained why the differences between the systems exist. He also distributed two documents "Utah Retirement Defined Benefit Summary – System Comparison" and "Utah Retirement Death Benefit Summary – System Comparison. He explained the differences and comparison between contributory and noncontributory systems, and noted the comparison in death benefits between the systems.

Mr. Christensen also explained who can participate, when they can retire, how much in benefits they will receive, how benefits are calculated, the cost of benefits, and how benefits are funded. He indicated that supplemental funding for firefighters in the form of the fire insurance premium tax and the extra court fee used to fund judges' retirement lead to higher benefits in those systems.

Mr. Robert Newman, Director, Utah Retirement Systems, clarified the final average salary definition.

Rep. Bigelow requested that staff quantify the cost per individual in each of the retirement systems and include the information in the comparison report.

Mr. Larsen proceeded with an electronic presentation "Utah State Retirement Systems Overview--Part II History." He gave a historical overview dating back to the 1910s through the 2000s and potential future actions that may lead to benefit enhancements.

Mr. Larsen also distributed a handout "Utah Pension System Principles." He explained the purpose of the public pension plan, objectives of a retirement plan, the structure of the plan, eligible membership in the retirement programs, and funding of the plan. He discussed the normal retirement age, the benefit formula, early retirement, deferred retirement, post-retirement adjustment, and vesting and portability of retirement plans as outlined in the handout.

Mr. Dan Anderson, Utah Retirement Systems, explained the original consolidation of the different systems. Mr. Larsen added that negotiations had been taking place for years before the policy for the State was agreed upon and established.

3. Other Committee Business

Chair Evans requested that staff send a letter to the leaders of major organizations requesting that any retirement legislation be given to the Committee for review prior to the general session.

The next meeting of the Committee was scheduled for July 9 at 3:00 p.m.

4. Adjournment

MOTION: Rep. Way moved to adjourn the meeting at 4:32 p.m. The motion passed unanimously, with Rep. Anderson and Rep. Bush absent for the vote.